

TAX AND FEE RECOMMENDATIONS

- Schedule of Taxes and Fees-Fiscal Years 2012-2013
- Historical Graph of Property Tax Rates Fiscal Years 2002-2012
- Potential Revenue Generated from Increased Taxes

This section includes a summary schedule of all budgeted funds in the document including revenues and expenditures for each fund. Following the schedule is a brief explanation of each fund that explains its purpose and what is included.

TAX AND FEE SCHEDULE

Fiscal Years 2012 - 2013

| <u>Taxes and Fees</u> | <u>FY12 Budget</u> | <u>FY13 Budget</u> |
|-----------------------|------------------------|------------------------|
|-----------------------|------------------------|------------------------|

The following taxes and fees are generated to support the General Fund.

General Property Taxes

| | | |
|---|------------|------------|
| REAL ESTATE TAXES (per \$100 of assessed value) | \$1.04 | \$1.04 |
| PERSONAL PROPERTY TAX (per \$100 of assessed value) | \$4.25 | \$4.25 |
| PERSONAL PROPERTY TAX for Boats or Watercraft Weighing Five Tons or More, Not Used Solely for Business Purposes (per \$100 of assessed value) | 0.000001** | 0.000001** |
| PERSONAL PROPERTY TAX for Boats or Watercraft Weighing Less than Five Tons, Not Used Solely for Business Purposes (per \$100 of assessed value) | 0.000001** | 0.000001** |
| PERSONAL PROPERTY TAX for Boats or Watercraft Weighing Five Tons or More, Used for Business Purposes Only (per \$100 of assessed value) | 1.00** | 1.00** |
| PERSONAL PROPERTY TAX for Boats or Watercraft Weighing Less Than Five Tons, Used for Business Purposes Only (per \$100 of assessed value) | 1.00** | 1.00** |
| PERSONAL PROPERTY TAX for Privately Owned Camping Trailers & Motor Homes Used for Recreational Purposes Only (per \$100 of assessed value) | 0.000001** | 0.000001** |
| PERSONAL PROPERTY TAX for Vehicles Modified for the Disabled (per \$100 of assessed value) | 0.000001** | 0.000001** |
| MACHINERY & TOOLS TAX (per \$100 of assessed value) | 3.50** | 3.50** |
| MACHINERY & TOOLS TAX for tools used directly in the manufacture of precision investment castings (per \$100 of assessed value) | 3.25** | 3.25** |

**These taxes are assessed from January 1 through December 31.

TAX AND FEE SCHEDULE

Fiscal Years 2012 - 2013

| <u>Taxes and Fees</u> | <u>FY12 Budget</u> | <u>FY13 Budget</u> |
|---|---|---|
| <u>Other Local Taxes</u> | | |
| Amusement/Admission Tax | 10% | 10% |
| Communications Sales Tax | 5% of gross receipts | 5% of gross receipts |
| Cigarette Tax | \$0.75 per pack | \$0.85 per pack |
| Communications Tax | 5% of gross receipts | 5% of gross receipts |
| Courthouse Maintenance Fee | \$2.00 per court case | \$2.00 per court case |
| Courtroom Security Fee | \$10.00 per court case | \$10.00 per court case |
| Electric Utility Tax - Commercial | \$2.29 plus the rate of \$0.013953 on the first 2,703 kWh delivered; \$0.003321 on each kWh thereafter, not to exceed \$80 per month | \$2.29 plus the rate of \$0.013953 on the first 2,703 kWh delivered; \$0.003321 on each kWh thereafter, not to exceed \$80 per month |
| Electric Utility Tax - Residential | \$1.40 + \$0.014953/kWh; \$3 Maximum | \$1.40 + \$0.014953/kWh; \$3 Maximum |
| Emergency Medical Service Recovery (<i>per transport occurrence</i>) | \$430 for Basic Life Support (BLS); \$525 for Advanced Life Support (ALS-1); \$750 for Advanced Life Support (ALS-2); \$9.00 for Ground Transport Mileage (GTM) per loaded mile | \$500 for Basic Life Support (BLS); \$600 for Advanced Life Support (ALS-1); \$750 for Advanced Life Support (ALS-2); \$11.00 for Ground Transport Mileage (GTM) per loaded mile *Approved by City Council March 14, 2012 |
| | Patient Assessment Fee \$0.00 | Patient Assessment Fee \$125 *Approved by City Council March 14, 2012 |
| Food Tax (Groceries) | 2.5% | 2.5% |
| Gas Utility Tax - Commercial | \$2.78 + \$0.135199/CCF on the first 130; plus \$0.032578/CCF thereafter, maximum \$65.00 per month | \$2.78 + \$0.135199/CCF on the first 130; plus \$0.032578/CCF thereafter, maximum \$65.00 per month |

TAX AND FEE SCHEDULE

Fiscal Years 2012 - 2013

| <u>Taxes and Fees</u> | <u>FY12 Budget</u> | <u>FY13 Budget</u> |
|---|--|--|
| Gas Utility Tax - Residential | \$1.98 + \$0.191/CCF delivered monthly; maximum \$2.40 per month | \$1.98 + \$0.191/CCF delivered monthly; maximum \$2.40 per month |
| <u>Other Local Taxes (continued)</u> | | |
| Hotel/Motel Lodging Tax | 8.0% | 8.0% |
| Motor Vehicle License | \$30.00 - up to 2 tons \$35.00 - over 2 tons | \$35.00 - up to 2 tons \$40.00 - over 2 tons |
| Restaurant/M meal Tax | 6.5% | 7.5% |
| Right of Way | \$0.83/Per Line/Per Month* | \$0.91/Per Line/Per Month* |
| Sales Tax | 5.0% | 5.0% |
| Taxes and Fees Supporting the Solid Waste Fund | | |
| Landfill Tipping Fee | \$38.00 per ton | \$38.00 per ton |
| Residential Solid Waste User Fee | \$4.25 per week (recyclers) | \$4.25 per week (recyclers) |
| Residential Solid Waste User Fee | \$10.00 per week (non-recyclers) | \$10.00 per week (non-recyclers) |
| Taxes and Fees Supporting the Stormwater Fund | | |
| Stormwater User Fee - Commercial | \$4.60 per 2,429 sq. ft. of impervious area | \$6.41 per 2,429 sq. ft. of impervious area |
| Stormwater User Fee - Residential | \$4.60 per month | \$6.41 per month |
| Taxes and Fees Supporting the Wastewater Management Fund | | |
| Sewer User Fee | \$1.48 per 100 cu. ft. of water consumption | \$1.48 per 100 cu. ft. of water consumption |
| Sewer Surcharge Fee | \$0.44 per 100 cu. ft. of water consumption** | \$0.66 per 100 cu. ft. of water consumption** |

*This fee increase is imposed by the State of Virginia under the *Virginia Code §58.1-645, §58.1-1730, §56-468.1*.

**This surcharge complies with the regional consent order regarding repair and replacement of sewer lines.

ADDITIONAL TAXES AND FEES FISCAL YEAR 2013

A complete schedule of taxes and fees can be viewed online at
www.hampton.gov/budget

The review of revenue options was an intricate part of the City's Fiscal Year 2013 budget balancing strategies. The Budget Review Committee was tasked with reviewing fees and taxes charged to users and to suggest areas for tax and fee increases or the establishment of new fees. Comparability to other cities was a factor used to determine which fees or taxes could be increased along with polling the community regarding their tolerance for real estate tax changes. The following tax and fee increases included in the City Manager's recommended budget are noted below.

CODE COMPLIANCE CERTIFICATES, FEES & PERMITS

| | <u>Fiscal Year 2012</u> | <u>Fiscal Year 2013</u> |
|--|-------------------------|-------------------------|
| BUILDING PERMITS | | |
| Building Permit Technology Surcharge | \$0.00 | \$10.00 |
| ELECTRICAL PERMITS | | |
| Electrical Permit Technology Surcharge | \$0.00 | \$10.00 |
| DEMOLITION PERMITS: | | |
| Demolition Permit Technology Surcharge | \$0.00 | \$10.00 |
| SIGN PERMITS: | | |
| Sign Permit Technology Surcharge | \$0.00 | \$10.00 |
| AMUSEMENT PERMITS: | | |
| Amusement Permit Technology Surcharge | \$0.00 | \$10.00 |

*As of July 1, 2012 all codes permits will incur a \$10.00 Technology Surcharge

FIRE SERVICES PERMITS AND FEES

| | | |
|---|--------|--|
| FIRE BUILDING INSPECTION FEES | | |
| Building Space (sq. ft.) | | |
| 0—999 | \$0.00 | \$25.00 |
| 1,000—5,000 | \$0.00 | \$75.00 |
| 5,001—10,000 | \$0.00 | \$100.00 |
| 10,001—20,000 | \$0.00 | \$125.00 |
| 20,001—50,000 | \$0.00 | \$225.00 |
| 50,001—100,000 | \$0.00 | \$275.00 |
| 100,001—200,000 | \$0.00 | \$325.00 |
| >200,000 | \$0.00 | \$375.00 |
| RE-INSPECTION FEE (follow-up inspections when previously identified violation(s) are found <u>not</u> to be in compliance) | \$0.00 | \$50.00 |
| DELINQUENT ACCOUNT FEE (30 DAYS delinquent) | \$0.00 | \$35.00 or 25% of outstanding balance on the account, whichever is greater |

ADDITIONAL TAXES AND FEES FISCAL YEAR 2013

A complete schedule of taxes and fees can be viewed online at
www.hampton.gov/budget

FIRE SERVICES PERMITS AND FEES (continued)

| | <u>Fiscal Year 2012</u> | <u>Fiscal Year 2013</u> |
|---|-------------------------|-------------------------|
| FALSE ALARM FEE (each occurrence after three false alarms in a 90-day period) | \$0.00 | \$100.00 |
| OPERATIONAL FIRE PROTECTION PERMIT FEES | | |
| Fireworks Permit (per display, for outside aerial display) | \$0.00 | \$250.00 |
| Pyrotechnics Permit (for proximate audience) | \$0.00 | \$250.00 |
| Flammable and Combustible Liquid Storage Tanks Permit removal, alter, place out of service) | \$0.00 | \$50.00 |
| Open Burning/Bonfire Permit | \$0.00 | \$50.00 |
| Open Burning/Land Clearing Permit (per month, per pit burner) | \$0.00 | \$50.00 |
| Private Fire Hydrants Permit (use/operation, removal from service) | | \$50.00 |
| Spraying or Dipping Permit (utilizing flammable or combustible liquids or combustible powders) | \$0.00 | \$100.00 |
| Storage of Scrap Tires and Tire By-products Permit (establish, conduct or maintenance that exceeds 2,500 cubic feet) | \$0.00 | \$100.00 |
| Operation of Wrecking and Junk Yards and Waste Material Handling Permit | \$0.00 | \$100.00 |
| Beginning Work or Activities Without First Obtaining the Necessary Permit | \$0.00 | \$50.00 |

Fire Prevention Proposed Fees

For FY 2013, the City is proposing the implementation of certain Fire Prevention Fees to support the costs associated with Fire and Emergency Medical Service (EMS) delivery. Staff has researched the utilization of fire prevention fees by Hampton Roads jurisdictions and found that it is a significant source of revenue for these localities. Additionally, it was found that the manner in which these jurisdictions select and set fees greatly differ. The Division of Fire and Rescue has proposed a Fire Code Inspection Fee Model based on the building square footage and a delinquent account fee used by the City of Newport News. Further, a re-inspection fee, a false alarm fee and an operational permit fee are also proposed. Currently, the Virginia Statewide Fire Prevention Code authorizes forty-six operational permits. Staff recommends adoption of seven permits to include: Fireworks/Pyrotechnics, Flammable/Combustible Liquid Storage Tanks, Open Burning, Private Fire Hydrants, Flammable Applications (Spraying and Dipping), Tire Storage and the Operation of Junk Yards.

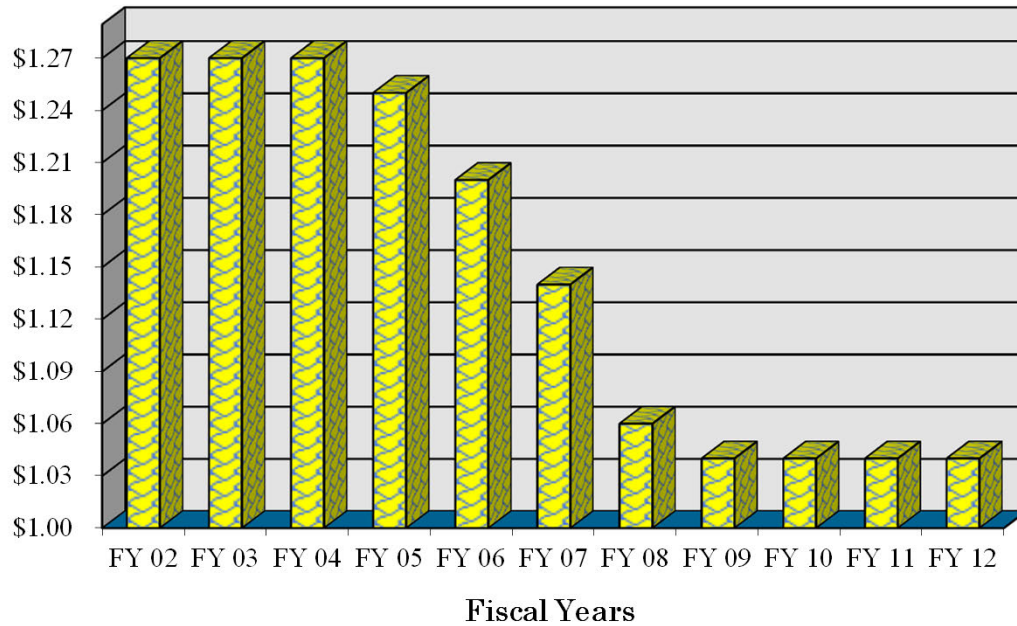
| | Chesapeake | Hampton {proposed} | Newport News | Norfolk | Virginia Beach |
|---|------------|-------------------------------------|-------------------------------------|----------------------|-----------------------|
| Fire Inspection | \$50.00 | \$25.00 to \$375.00 (sq. ft.) | \$25.00 to \$375.00 (sq. ft.) | \$50.00 | \$50.00 |
| Delinquent Account | | \$35.00 | \$35.00 | | |
| Fire Re-Inspection | | \$50.00 | \$50.00 | \$50.00 | \$25.00 |
| Fire/Rescue False Alarm | | \$100.00 | \$100.00 | | |
| Pyrotechnics/ Fireworks Permit | \$50.00 | \$250.00 | \$250.00 | \$100.00/ \$50.00 | \$450.00/ \$250.00 |
| Flam/Comb Storage Tank Permit | \$50.00 | \$50.00 | | \$50.00 | \$50.00 |
| Open Burning /Land Clearing Permit | \$50.00 | \$50.00 | \$300.00 | | \$50.00 |
| Open Burning/ Bonfire Permit | \$50.00 | \$50.00 | | \$100.00 | \$50.00 |
| Private Fire Hydrant Permit | \$50.00 | \$50.00 | | | |
| Flammable Spraying Permit | \$50.00 | \$50.00 | | \$50.00 | \$100.00 |
| Tire Storage Permit | \$50.00 | \$100.00 | | | |
| Junk Yard Operations Permit | \$50.00 | \$100.00 | | \$50.00 | \$100.00 |
| Work Begun Without Permit | | \$50.00* | | | |

Note: The fees reflected for the cities of Chesapeake, Newport News, Norfolk and Virginia Beach have been adopted and are currently in place.

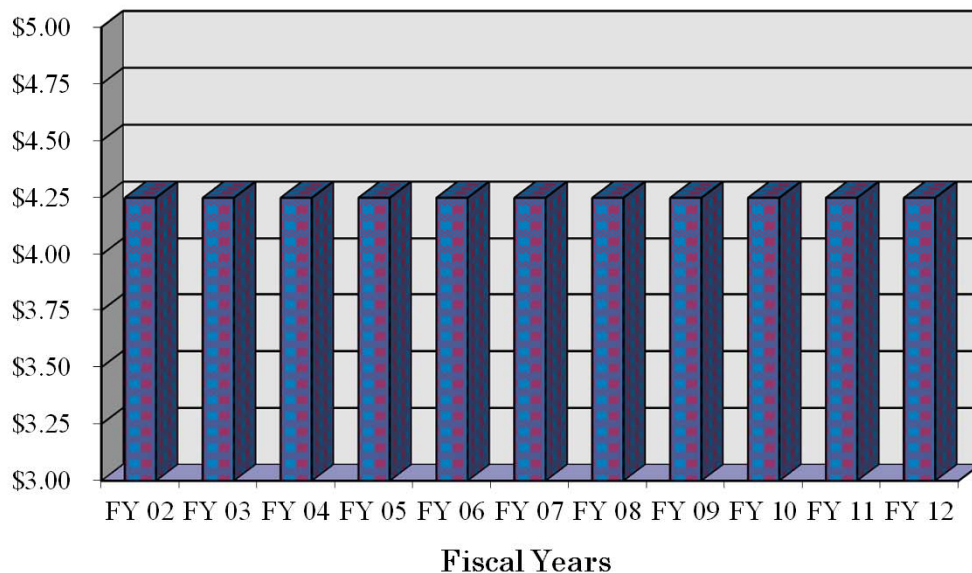
*This fee is consistent with City of Hampton Building Code.

HISTORICAL GRAPH Property Tax Rates Fiscal Years 2002 - 2012

Real Estate Tax Rate
(per \$100 Assessed Value)



Personal Property Tax Rate
(per \$100 Assessed Value)



POTENTIAL REVENUE GENERATED From Increased Selected Taxes Fiscal Year 2013

| Taxes and Fees | FY13 Proposed Tax Rate | FY13 Recommended Revenue | Potential Revenue From Proposed Rates | |
|-----------------------|------------------------------|--------------------------------|--|------------------|
| Real Property Tax | \$1.04 per \$100 | \$ 106,987,839 | One Cent | = \$ 1,028,729 * |
| Personal Property Tax | \$4.25 per \$100 | 34,900,652 | One Cent | = 82,119 |
| Amusement Tax | 10.0% | 1,305,394 | One Percent | = 130,539 |
| Tobacco Tax | \$0.85 | 4,365,000 | One Cent | = 51,353 ** |
| Lodging-Transient Tax | 8.0% | 3,000,000 | One Percent | = 375,000 |
| Meal Tax | 7.5% | 18,018,000 | One Percent | = 2,402,400 *** |

*Includes impact on Public Service taxes

**Includes a \$.10 tax rate increase

***Includes a 1% tax rate increase.

Note: This schedule is provided to show the impact on revenues if one of the proposed tax rates were increased or decreased.